

Meeting Copy

AGENDA

State Building Commission

Executive Subcommittee

House Hearing **Room 31**

Legislative Plaza

February 22, 2011

10:30 A.M.

CONSENT AGENDA

Review of a request for APPROVAL of the following REAL PROPERTY TRANSACTIONS, which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: **University of Tennessee – Knox County**
Transaction: Lease agreement
Provision: Waiver of advertisement
- B. Agency: **University of Tennessee – Shelby County**
Transaction: Lease agreement
Provision: Waiver of advertisement
- C. Agency: **University of Tennessee – Knox County**
Transaction: Demolition – Poultry Buildings
- D. Agency: **Tennessee Board of Regents – Putnam County**
Transaction: Revise source of funding
- E. Agency: **Tennessee Board of Regents – Hamilton County**
Transaction: Acquisition in fee
Provision: Waiver one appraisal
- F. Agency: **Tennessee Board of Regents – Sullivan County**
Transaction: Disposal in fee
Provision: Waiver of advertisement & one appraisal
- G. Agency: **Department of Agriculture – Bledsoe County**
Transaction: Disposal by easement
Provision: Waiver of advertisement & one appraisal
- H. Agency: **Department of Military – Hawkins County**
Transaction: Approval for appraisal only
Provision: Waiver of one appraisal
- I. Agency: **Department of Safety – Rhea County**
Transaction: Approval for appraisal only
Provision: Waiver of one appraisal
- J. Agency: **Department of Intellectual Disabilities Services – Davidson County**
Transaction: Acquisition in fee
Provision: Waiver of one appraisal & REM Fee
- K. Agency: **Department of Intellectual Disabilities Services – Davidson County**
Transaction: Acquisition in fee
Provision: Waiver of one appraisal & REM Fee

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

PROPERTY ADDRESS AMENDMENT OF PRIOR SBC-ESC APPROVAL (TRANS. NO. 11-01-900) - Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Madison County – PROPOSED PROPERTY ADDRESS AMENDMENT: Vacant lot north of address 3021 Highway 45 Bypass (formerly approved as 1052 Greystone), Jackson, TN – Trans. No. 11-01-900 (Baltz)**

Purpose: To provide office and classroom space for degree programs offered through UTM's Extended Campus and Online Studies.

Term: April 15, 2011 thru April 14, 2016 (5 yrs)

Proposed Amount: 6,002 Square Feet

Annual Contract Rent:	\$116,000.00	@\$19.33 / sf
Est. Annual Utility Cost:	\$ 10,503.50	@\$ 1.75 / sf
Est. Annual Janitorial Cost:	\$ 6,602.20	@\$ 1.10 / sf
Total Annual Effective Cost:	\$133,105.70	@\$22.18 / sf

Current Amount: 6,200 Square Feet with Jackson State Community College

Annual Contract Rent incl. Utilities & janitorial cost:	\$35,000.00	@\$5.65 / sf
Total Annual Effective Cost:	\$35,000.00	@\$5.65 / sf

Type: New lease – Advertised on December 5th and 12th, 2010– Received three (3) proposals from two (2) proposers.

Advertising Range: The RFP lease location parameters were increased by approximately ten (10) miles and were bounded by Ashport Road to the North, Highway 70 to the East, I-40 to the South and Windy City Road and Highway 412 to the West OR bounded by I-40 to the North, Highway 70 to the East, North Parkway to the South and North Highland Avenue to the West.

FRF Rate: \$18.00

Lessor: Wolfe Development, LLC

Comment: The proposed lease has no cancellation during the five (5) year term except for cause and/or lack of funding. The RFP was initially advertised on July 25, 2010 and August 8, 2010 one (1) proposal was received for \$25.46 per square foot. The transaction was deferred from October's SBC-ESC agenda with instructions to re-advertise.

University of Tennessee – continued:

SSC Report: 01-18-11. Robbi Stivers summarized the transaction. He stated the lease RFP has now been advertised on four separate occasions. The proposed space shall be built out to University specifications and is located in a suitable location. John Carr requested an estimate for the cost to move. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Melanie Buchanan presented the transaction. Subcommittee approved the request as presented.

Comment: Staff referred to Subcommittee with recommendation.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL and REM FEES required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Shelby County – 3613 Watauga Ave., (0.1950 +/- acres), Memphis, TN – Trans. No. 10-11-007 (Maholland)**

Purpose: Acquisition in fee to acquire this property is part of the University of Memphis Master Plan for acquisition for future campus expansion.

Source of Funding: G. O. Bonds – 2007

Appraisal Value: \$141,000

Owner(s): Rodney & Joy Betts

Comment: This part of the “102” properties already previously approved on July 23, 2007.

- Waiver one (1) appraisal.
- Property acquired by owner on October 23, 2000 for \$72,000.
- Tax assessors value is \$122,000.
- Improvement square footage is 1,121 sf.

SSC Report: 02-14-2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Rutherford County – 1710 Elrod Street, (0.44+/- acres), Murfreesboro, TN – Trans. No. 11-01-005 (Maholland)**

Purpose: Acquisition in fee to acquire this property is part of MTSU's Master Plan and will be rented until needed for future campus expansion.

Source of Funding: Auxiliary Funds - 2010/2011

Appraisal Value: \$150,000

Owner(s): MTSU Foundation

Comments:

- Waiver one (1) appraisal.
- Property acquired by owner on December 3, 2010 by gift.
- Tax assessors value is \$118,000.
- Improvement square footage is 1,655 sf.

SSC Report: 02-14-2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Washington County – Lot 1, Millennium Park, (3.59 +/- acres), Johnson City, TN – Trans. No. 11-01-007 (Woodard)**

Purpose: Acquisition in fee to acquire this property is part of ETSU's Master Plan and recently became available and its location adjacent to ETSU's Audio Visual Lab and Pedestrian Bridge back to the main campus makes it a priority.

Source of Funding: Campus Plant Funds

Estimated Value: \$950,000 or Fair Market Value

Owner(s): Carnegie Development Company

Comments:

- Waiver one (1) appraisal.
- Property acquired by owner on August 27, 2007 for \$980,000.
- Tax assessors value is \$1,290,100.

SSC Report: 02-14-2011. Jurgen Bailey summarized the transaction. Dick Tracy stated that Carnegie Development Company LLC, purchased this property from the Johnson City Public Building Authority (PBA) in 2007 based on plans presented by Carnegie to build a Business Tower. Due to circumstances beyond the control of Carnegie, they were unable to complete the tower and unable to come to agreement with PBA regarding a plan for the development of this property. Carnegie offered to sell the property to ETSU for the expansion of their campus. Staff requested that the PBA execute a resolution to removal the deed restrictions on the property prior to closing with the State. Staff referred to Subcommittee with recommendation.

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Knox County – 1513 University Avenue, Knoxville, TN – Trans. No. 10-11-914 (Lotspiech)**

Purpose: To provide office space for Attorney's & Hearing Rooms (Workers Comp Division)

Term: November 1, 2011 thru October 31, 2021 (10 years)

Proposed Amount: 7,900 Square Feet
Annual Contract Rent Incl. Utilities &
Janitorial Cost: \$119,685.00 @\$15.15 / sf
Total Annual Effective Cost: \$119,685.00 @\$15.15 / sf

Current Amount: 3,200 Square Feet
Annual Contract Rent Incl. Utilities &
Janitorial Cost: \$39,200.00 @\$12.25 / sf
Total Annual Effective Cost: \$39,200.00 @\$12.25 / sf

Type: New lease – negotiated

Advertising Range: None due to it's a government agency

FRF Rate: \$18.00

Lessor: Knoxville's Community Development Corporation

Comment: Lessor has agreed to do renovations per lease agreement. The proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter. New attorneys were moved into the current space earlier this FY which has created over crowding & resulted in the need for this new space. This needed increase of space is for 14 staff. The breakdown of staff to space is 11 staff in open office cubicles (65 sq ft), 3 staff in hard wall space (1 @150 sq. ft and 2 @ 120 sq. ft), 2 waiting rooms (1 @ 240 sq. ft., and 1 @ 250 sq. ft), 1 break room (120 sq ft), 2 conference rooms (250 sq ft), 8 hearing rooms (150 sq ft), 1 file room (410 sq ft), 1 telecom closet (80 sq ft), and 30% for circulation (hallways, entrance area, etc.) (1,299 sq.ft).

Other current leases that were advertised in Knox County during the last calendar year included the following rates: 7,708 sf @\$15.87; 9,500 sf @\$17.20; 9,400 sf @\$20.43; 8,200 sf @\$18.23.

Department of Labor & Workforce Development – continued:

- SSC Report: 12-13-10. Loretta Baltz & Angie Lotspiech summarized the transaction. Staff deferred transaction until January.
- SSC Report: 01-19-2011. Melanie Buchanan summarized the transaction. Chester Lowe emphasized the overcrowding at the current space for the attorneys which is causing difficulty with confidentially and non- secured hearing rooms. Staff deferred for one month.
- SC Report: 01-24-11. At the request of Real Property Administration, the matter was deferred for one month.
- SSC Report: 02-14-2011. Melanie Buchanan summarized the transaction. Chester Lowe, with LWFD, introduced Mr. Alvin Nance the Director/CEO of Knoxville Community Development Corporation (KCDC). He stated that he is constructing a new building with 15,800 rsf (two 2 floors). LWFD will occupy the first floor (7,900 rsf) and KCDC will “reserve” the second floor of the building (7,900 rsf) for a period of two (2) years beginning after the completion and occupancy of the first floor. If the State does not occupy all of the space after two (2) year period then KCDC will lease space to others. Chester Lowe stated that the attorneys are very pleased with this area because it’s well lighted, secure, cleaned and they will be very comfortable walking to their cars at night. The additional cost to the Worker's Compensation program for this additional space will be offset by savings from the planned closure of offices in Dyersburg, Columbia, and Clarksville. Staff referred to Subcommittee with recommendation.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Montgomery County – 350 Pageant Lane, Suite 401, Clarksville, TN – Trans. No. 10-09-911 (Smith)**

Purpose: To provide office space for 80 employees.

Term: July 1, 2011 thru June 30, 2021 (10 yrs.)

Proposed Amount: **17,895 Square Feet**
Annual Contract Rent for 1-5 yrs: \$250,530.00 @\$14.00 / sf
Est. Annual Utility Cost: \$ 31,237.50 @\$ 1.75 / sf
Est. Annual Janitorial Cost: \$ 19,635.00 @\$ 1.10 / sf
Total Annual Effective Cost: \$301,402.50 @\$16.85 / sf

Annual Contract Rent for 6-10 yrs: \$286,320.00 @\$16.00 / sf
Est. Annual Utility Cost: \$ 31,237.50 @\$ 1.75 / sf
Est. Annual Janitorial Cost: \$ 19,635.00 @\$ 1.10 / sf
Total Annual Effective Cost: \$337,192.50 @\$18.85 / sf

Current Amount: **18,204 Square Feet**
Annual Contract Rent: \$162,379.68 @\$ 8.92 / sf
Est. Annual Utility Cost: \$ 25,485.60 @\$ 1.40 / sf
Est. Annual Janitorial Cost: \$ 20,024.40 @\$ 1.10 / sf
Total Annual Effective Cost: \$207,889.68 @\$11.42 / sf

Type: New lease – Negotiated

Advertising Range: None due to it's a government agency

FRF Rate: \$18.00

Lessor: Montgomery County Government

Comment: The proposed lease has no cancellation for the **first two (2) years** except for cause and/or lack of funding and 180 days thereafter. Lessor has agreed to do renovations per lease agreement. Square feet were re-calculated by RPA Interior Design Group for this lease.

SSC Report: 01-19-2011. Melanie Buchanan summarized the transaction. Staff referred to Subcommittee with discussion.

Department of Children's Services – continued:

SC Report: 01-24-11. Melanie Buchanan presented the transaction. Commissioner Emkes asked why they were paying so much more for strictly functional space. Dottie Hagood responded that the Lessor had planned to renovate the building, and that these were not renovations requested by the agency. Treasurer Lillard questioned why the proposed lease had no cancellation clause for the first five (5) years since they didn't ask for the improvements to be made. Ms. Hagood responded that, normally the Department of Children's Services doesn't move very often and they probably felt comfortable with the terms. Treasurer Lillard asked if it would do any harm to defer action for one month to further consider the cancellation clause issue, and made a motion to that effect. Subcommittee voted to defer action until the next meeting.

Change on the cancellation clause:

Richard Smith, Lease agent, negotiated the cancellation clause with the Mayor of Montgomery County for two (2) years no cancellation except for cause and/or lack of funding and 180 days thereafter.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Anderson County – 2 +/- acres – Crave Hill Church, TN – Trans. No. 11-01-008 (Jackson)</u>
Purpose:	Disposal by easement for a gas well, pipeline and access as needed on Sundquist Wildlife Management Area.
Estimated Sale Price:	\$500
Grantee:	Knox Energy / CNX Gas Company LLC
Comment:	The State owns the surface rights and Knox Energy owns the mineral rights. Well site AH-1038
SSC Report:	02-14-2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Anderson County – 2 +/- acres – Grave Hill Church, TN – Trans. No. 11-01-009 (Jackson)</u>
Purpose:	Disposal by easement for a gas well, pipeline and access as needed on Sundquist Wildlife Management Area.
Estimated Sale Price:	\$500
Grantee:	Knox Energy / CNX Gas Company LLC
Comment:	The State owns the surface rights and Knox Energy owns the mineral rights. Well site AH-1022
SSC Report:	02-14-2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

DEPARTMENT OF SAFETY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER OF ADVERTISEMENT AND APPRAISALS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Grundy County – 0.30+/- acres on Hippie Town Road, Altamont City, TN – Trans. No. 11-01-001 (Jackson)**

Purpose: Acquisition by lease of land to be leased from Mr. Hubbs for the erection of a radio communication tower and out buildings to be part of the new statewide communication system.

Source of Funding: Department of Safety THP – 100%

Estimated Cost: \$650 per month for 25 years

Owner(s): Eugene Hubbs / Hubbs Properties, LLC

Comments:

- Waiver of advertisement & appraisals.
- Lease negotiated.

SSC Report: 02-14-2011. Jurgen Bailey summarized the transaction. Staff recommended that the lease be subject to the State having a first right of refusal to acquire the property should it ever be put up for sale. Safety has contacted the property owner and he is agreeable to those terms. Staff referred to Subcommittee with recommendation.

DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER OF ONE (1) APPRAISAL and REM FEE required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Davidson County – 2.29+/- acres – 4125 Saundersville Road, Old Hickory, TN – Trans. No. 11-01-002 (Woodard)**

Purpose: Acquisition in fee to construct ICF Group home.

Source of Funding: Current funds and bonds & SBC 346/000-05-2005

Estimated Cost: \$150,000

Owner(s): Virginia Turner

Comments:

- Waiver one (1) appraisal.
- Property acquired by owner on January 24, 1996 for the cost of \$251,363 for the total of 10.93 acres and improvements.
- State is acquiring vacant land only.
- Tax assessor's value on 10.93 acres and improvements is \$1,437,400.

SSC Report: 02-14-2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

DEPARTMENT OF CORRECTION

Bledsoe County Correctional Complex, Pikeville, Tennessee

- 1) Review of a request for APPROVAL to CANCEL the previous SBC approval for utility grant negotiations with the Town of Spring City, and APPROVAL of a GRANT in the amount of \$7,200,000.00 to the City of Pikeville, for **Bledsoe County Correctional Complex** project at Pikeville, Tennessee.

Amount of Grant: \$ 7,200,000.00

Estimated Project Cost: \$208,000,000.00

Source of Funding:

97-08 Current Funds-Capital Outlay (A) 87,487,104.53

04 G.O. Bonds-Capital Outlay (A) 5,000,000.00

05 G.O. Bonds-Capital Outlay (A) 60,612,895.47

06 G.O. Bonds-Capital Outlay (A) 19,900,000.00

07 G.O. Bonds-Capital Outlay (A) 35,000,000.00

SBC Project No. 142/013-02-2004

On 1/13/11, the SBC deferred this request for one month, and on 2/10/11 the SBC referred the request to the Subcommittee, with authority to act. This is a utility grant to the City of Pikeville in consideration that they have been determined to be a viable source water provider to the BCCX facility. The grant shall be utilized for the construction of the Eastern segment of the water line from Big Springs Gap Road to the City of Pikeville's water tower located within the Pikeville's city limits. Work shall also include the upgrade of the water treatment plant, complete development of additional wells, monitoring systems, design, easement acquisition, surveys inspections and other associated costs.

DEPARTMENT OF FINANCE AND ADMINISTRATION

Piedmont Gas Building, Nashville, Davidson County, Tennessee

- 1) Review of a request for APPROVAL of a REVISION in SCOPE and FUNDING from \$2,300,000.00 to \$4,800,000.00 (\$2,500,000.00 increase) for **Interior Renovation / Essential Maintenance** at Piedmont Gas Building, Nashville, to address deficiencies in existing mechanical and electrical systems.

Revised Estimated Project Cost: \$4,800,000.00

<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
Facilities Revolving Fund (A)	\$ 800,000.00	\$ 300,000.00	\$1,100,000.00
01 G.O.Bonds-FRF (A)	850,000.00	2,200,000.00	3,050,000.00
03 G.O.Bonds-FRF (A)	600,000.00	0.00	600,000.00
05 G.O.Bonds-FRF (A)	50,000.00	0.00	50,000.00
TOTAL	\$2,300,000.00	\$2,500,000.00	\$4,800,000.00
<i>SBC Project No.</i>	<i>529/012-01-2009</i>		

On 1/13/11, the SBC referred this item to the Subcommittee with authority to act. Additional funding will be used to address deficiencies in existing mechanical and electrical systems. A local MPE firm was hired to provide post-commissioning services. The proposed upgrades are the result of an investigative study and report prepared by IC Thomasson. These upgrades are needed to insure reliable heating and cooling of office space now occupied by the Department of General Services and to correct life safety deficiencies in building fire alarm system. This project constitutes the next phase of general building renovation. It includes replacement of major equipment components, installation of a new energy management system, and associated electrical work to support mechanical improvements.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) APPROVAL of the Minutes of the Executive Subcommittee meeting held on January 24, 2011.

Designer Selections

- 1) Review of a request for APPROVAL to RESCIND the SELECTION of McKissack & McKissack as designer on a project for **Interpretive Pavilion** at T.O. Fuller State Park, and APPROVAL to SELECT a REPLACEMENT DESIGNER to design and supervise the project.

SBC Project No. 126/093-01-2010

In September 2010, McKissack and McKissack was selected to design the Interpretive Pavilion at T.O. Fuller State Park. An agreement was sent to them in October to their New York Office (their website lists a Memphis office). On 01/26/2011 Cheryl McKissack, the principal of the firm, informed RPA that they have divested themselves of their architectural offices and now concentrate only on construction/project management contracts. Their designer agreement was not executed. Therefore, TDEC would like to request the second designer choice of, Self Tucker, also located in Memphis, be selected as the designer for the project.

- 2) Review of a request for APPROVAL to RESCIND a CONTRACT with CH2M Hill as the designer on a project for **Fire Panel Circuit Upgrades** at James K. Polk and SELECTION of a REPLACEMENT DESIGNER to design and supervise the project.

Estimated Project Cost: \$1,506,000.00

Source of Funding:

FRF (501.04) (A) \$ 606,000.00

10 G.O.Bonds-FRF (A) \$ 900,000.00

SBC Project No. 529/075-01-2007

On March 8, 2007, the SBC approved the project and the selection of Lockwood Greene as the designer of record, who subsequently signed the State's Designer Agreement. In September 2010, the SBC approved a revision in scope and funding to \$1,506,000 and also revised the designer's name from Lockwood Greene to CH2M Hill. CH2MHill was asked to sign a new Agreement to formalize the name change, but has refused to sign the Designer Agreement due to concerns for overall liability of the project. We are requesting to rescind the contract with CH2MHill and select a new designer of record.

- 3) Review of a request for APPROVAL of DESIGNER NAME CHANGE from "SSR-Ellers" to "Smith Seckman Reid, Inc." on the following State projects:

A. University of Memphis
(Richardson Hall – Exterior Repairs)
SBC Project No. 166/007-12-2009

- B. University of Memphis**
(Several Buildings – Envelope Repairs)
SBC Project No. 166/007-02-2010
- C. West TN State Penitentiary**
(Minimum Housing & Support Bldg)
SBC Project No. 142/022-01-2007
- D. West TN State Penitentiary**
(Energy Upgrade & Improvements-Loop System)
SBC Project No. 142/022-02-2007
- E. Department of Correction - Statewide**
(HVAC Upgrades – 3 Prisons)
SBC Project No. 140/001-05-2007
- F. Northwest Correctional Complex**
(Infrastructure Planning)
SBC Project No. 142/016-01-2009
- G. West TN State Penitentiary**
(Water/Wastewater Treatment Plants Upgrades)
SBC Project No. 142/022-01-2009
- H. West TN School for the Deaf**
(Security & Access Updates)
SBC Project No. 168/009-01-2010

4) APPROVAL of the designer selections for projects approved at the February 10 SBC meeting.

UNIVERSITY OF TENNESSEELEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Knox County – 1930 Alcoa Highway, Medical Bldg. A, Suite 430, Knoxville, TN – Trans. No. 11-02-900 (Baltz)**

Purpose: Provide experiential clinical training to students in the Nurse Anesthesia Program.

Term: January 1, 2011 to December 31, 2011 (1 yr) with four (4) one (1) year options to renew.

Proposed Amount: 1,101 Square Feet

Annual Contract Rent:	\$19,542.75	@\$17.75 / sf
Est. Annual Utility Cost:	\$ 1,926.75	@\$ 1.75 / sf
Est. Annual Janitorial Cost:	<u>\$ 1,211.10</u>	<u>@\$ 1.10 / sf</u>
Total Annual Effective Cost:	\$22,680.60	@\$ 20.60 / sf

Current Amount: None

Type: New lease – negotiated

Lessor: University of Health System, Inc.

Comment: Lease can be cancelled at anytime for convenience with ninety (90) days notice. The Medical Office Bldg. is on the campus of UT Medical Center where faculty physicians supervise fellows, residents and students in the care of hospitalized patients and ambulatory patients. UHS shall provide \$125K annually to support the program.

SSC Report: 02-14-11. Melanie Buchanan summarized the transaction. Robbi Stivers summarized the terms of the lease. Staff referred to Subcommittee for consent agenda.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Shelby County – 770 Estate Place, Memphis, TN – Trans. No. 11-02-901 (Baltz)**

Purpose: As per UT LeBonheur Pediatric Specialists Affiliation Agreement with the University of Tennessee, State Building Commission approval is required for UT LeBonheur Pediatric Specialists (a new faculty group practice in support of the pediatric education, research and patient care missions) to enter into a Lease with Methodist Healthcare – Memphis Hospital (LeBonheur Children’s Hospital) .

Term: February 6, 2011 to February 5, 2016 (5 yr) with one (1) options to renew for an additional five (5) years

Proposed Amount: 3,485 Square Feet

Annual Contract Rent:	\$51,055.25	@\$14.65 / sf
Est. Annual Utility Cost:	\$ 6,098.75	@\$ 1.75 / sf
Est. Annual Janitorial Cost:	<u>\$ 3,833.50</u>	<u>@\$ 1.10 / sf</u>
Total Annual Effective Cost:	\$60,987.50	@\$ 17.50 / sf

Current Amount: None

Type: New lease – negotiated

Lessor: LeBonheur Children’s Hospital – (Methodist Healthcare)

Comment: Lease can be cancelled at anytime for convenience with ninety (90) days notice. This is an outpatient care facility including exam rooms and waiting areas as well as necessary space for support staff.

SSC Report: 02-14-11. Melanie Buchanan summarized the transaction. Robbi Stivers explained in details the purpose of this lease. On November 10, 2010, the University was approved by the State to enter an Affiliation Agreement with Methodist Healthcare to form a pediatric group called UT-LeBonheur Pediatric Specialists (ULPS), Inc. The Affiliation Agreement requires State approval of the proposed Lease(s) by ULPS (as Lessee). The University is not obligated under the terms of the Lease. Part of the plan for the development of this faculty practice was to consolidate providers at LeBonheur Children’s Hospital into ULPS. The first such move in this direction is the acquisition of the pediatric urology practice of Dr. Mark Williams. As part of the acquisition ULPS, will take over his lease at the location. This is the same rate that Dr. Williams was paying for this location. Staff referred to Subcommittee for consent agenda.

UNIVERSITY OF TENNESSEEUniversity of Tennessee Institute of Agriculture, Knoxville, Tennessee

- 1) Review of a request for APPROVAL of a PROJECT as reviewed by the Tennessee Historical Commission to **Demolish Poultry Buildings** located at the Institute of Agricultural Cherokee Farm Education and Research Unit in Knoxville, with the demolition expense to be funded by the Medical Center.

Estimated Project Cost: **\$25,000.00**

Source of Funding: Gift

SBC Project No. 540/009-01-2011

The six buildings, built between 1935 and 1965, are in a deteriorated condition and no longer have any institutional use. The site will be used for a construction staging area for a UT Medical Center project and the Medical Center will fund the demolition expense.

Tennessee Board of Regents

Tennessee Technological University, Cookeville, Putnam County, Tennessee

- 1) Review of a request for APPROVAL of a REVISION in SOURCE of FUNDING for **IT Infrastructure Upgrade** at Tennessee Technological University, Cookeville, Tennessee.

Estimated Project Cost: \$9,880,000.00

Current Funding for the Project: \$3,380,000.00

<u>Source of Funding:</u>	<u>Original</u>	<u>Incr/Decrease</u>	<u>Revised</u>
Campus Plant Funds (A)	1,205,000.00	-1,205,000.00	0.00
ARRA Funds (F)	2,175,000.00	-622,598.34	1,552,401.66
2011 State Funds (A)	0.00	1,827,598.34	1,827,598.34
TOTAL	3,380,000.00	0.00	3,380,000.00
<i>SBC Project No.</i>	<i>166/011-04-2009</i>		

On 12/9/09, the SBC approved this project for planning only. This request swaps out Campus Plant Funds with non-recurring 2011 State Funds. Smith Seckman Reid, Inc. is the designer for this upgrade.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Hamilton County – 3701 Amnicola Highway (14.98 +/- acre), Chattanooga, TN – Trans. No. 10-12-016 (Baugh)</u>
Purpose:	Acquisition in fee to acquire the property and improvements for future expansion Chattanooga State Community College. Property is in the Master Plan.
Source of Funding:	2011 Special Capital Outlay funds & Chattanooga State Community College funds
Estimated Cost:	\$7,000,000
Owner(s):	Olan Mills
Comments:	Olan Mills acquired property in 1972 and paid \$322,000 for land only. Tax Assessor's value is \$5,985,900.00.
SSC Report:	01-18-11. Dick Tracy summarized the transaction. The property will be purchased with the Special Capital Outlay funds. The gift funds will be used for renovation and other costs. Staff referred to Subcommittee with recommendation.
SC Report:	01-24-11. Jurgen Bailey presented the transaction. Treasurer Lillard asked if there was a policy for waiving one appraisal, particularly since the value involved should justify two appraisals. Dick Tracy responded that they have an older appraisal from 2008, and was requesting getting one more appraisal. With that understanding, Treasurer Lillard made a motion to approve the request, which was seconded, and passed without objection.

Correction/ change that needs to be made:

- Address is 4325 Amnicola Highway, Chattanooga, TN
- The acres is 21.20+/- acres

SSC Report:	02-14-2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda
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TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Sullivan County – 201 Cassel Drive (0.60 +/- acres), Kingsport, TN – Trans. No. 10-05-001 (Maholland)</u>
Purpose:	Disposal in fee to sell ETSU's Family Practice Center to Wellmont Holston Valley Medical Center.
Original Cost to State:	\$580,499
Date of Original Conveyance:	June 1987
Grantor Unto State:	State of Tennessee Board of Regents
Estimated Sale Price:	\$950,000
Grantee:	Wellmont Holston Valley Medical Center
Comment:	<p>Wellmont Holston Valley Medical Center owns all the surrounding property and has offered ETSU to continue to remain in the current building at a no cost lease for up to three (3) years until the new facility is ready. Potential two (2) years savings would be \$240,000. Have an appraisal in the file for \$1,000,000 (completed by RPA).</p> <ul style="list-style-type: none"> • Waiver one (1) appraisal. • Improvement square footage is 10,120 sf / Medical Bldg; 980 sf / Modular unit. • Property is tax exempt. • ETSU constructed the present Kingsport Family Center with school bonds which have been paid off. • The property for the Kingsport Family Practice Center was purchased from Margaret A. Eddy and Richard F. McBride d/b/a/ RMAC Property Management Company, a Tennessee General Partnership.
SSC Report:	02-14-2011. Jurgen Bailey summarized the transaction. Dick Tracy presented the transaction. Staff referred to Subcommittee for consent agenda.

DEPARTMENT OF AGRICULTURELAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Bledsoe County – 1.76 +/- acres – TDOC STSRCF facility, Spencer, TN – Trans. No. 11-01-011 (Baugh)</u>
Purpose:	Disposal by easement for TVA power line connection to Sequatchie Valley Electric Cooperative substation and to provide power to TDOC's facility that is currently under construction. SBC Project No. 142/013-02-2004.
Estimated Sale Price:	\$5,000
Grantee:	TVA
Comment:	The easement is to run through a portion of Bledsoe State Forrest.
SSC Report:	02-14-2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

DEPARTMENT OF MILITARY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER ONE (1) APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Hawkins County – 14.5+/- acres – 4401 W. Stone Drive, Hwy. 11 West, Kingsport, TN – Trans. No. 11-02-001 (Woodard)</u>
Purpose:	Disposal in fee to sell land and buildings that are no longer needed by agency.
Original Cost to State:	\$14,000 / land
Date of Original Conveyance:	November 29, 1961
Grantor Unto State:	US General Services Administration
Estimated Sale Price:	Successful proposer
Grantee:	Department of Military
Comment:	<p>Military recently completed construction of the new facility to replace this facility Kingsport Readiness Center. We are requesting approval to sell this property (old armory facilities) located at the above address. This land was acquired by the State from US General Services Administration in 1961, during 1982-1983 a mixture of Federal & State funds were used to construct the old Kingsport Readiness Center including two maintenance shops and other support facilities. Request that the property be sold with proceeds from the sale of the property be returned to the Military Department.</p> <ul style="list-style-type: none"> • Waiver one (1) appraisal. • Eleven (11) improvements for 65,490 sf. • Tax exempt.
SSC Report:	<p>02-14-2011. Jurgen Bailey summarized the transaction. Staff deferred for one month until appraisal is completed. Staff referred to the consent agenda for <u>appraisal only</u>.</p>

DEPARTMENT OF SAFETY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Rhea County – 0.57 +/- acres – Land & Communication Tower, Spring City, TN – Trans. No. 10-12-019 (Jackson)</u>
Purpose:	Disposal in fee to sell the Tower site to Wireless Properties II, LLC (0.21 acres). Disposal by easement to grant access to Wireless Properties II, LLC (0.36 acres).
Original Cost to State:	\$150,000 Land & Tower
Date of Original Conveyance:	July 31, 2008
Grantor Unto State:	Francis & Patricia Maddux
Estimated Sale Price:	\$150,000 Land & Tower
Grantee:	Wireless Properties II, LLC
Comment:	Department purchased the tower in 2008 and now no longer needs the site and would like to sell it.
SSC Report:	01-19-2011. Jurgen Bailey summarized the transaction. Staff recommended an appraisal be completed on the site and tower and the item be brought back for further consideration when fair market value had been determined. Staff deferred for one month.
SC Action:	01-24-11. At the request of Real Property Administration, the matter was deferred for one month.
SSC Report:	02-14-2011. Jurgen Bailey summarized the transaction. Staff deferred for one month until appraisal is completed. Staff referred to the consent agenda for <u>appraisal only</u> .

DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIESLAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER OF ONE (1) APPRAISAL and REM FEE required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Davidson County – 2.32 +/- acres – 2924 McGavock Pike, Nashville, TN – Trans. No. 10-12-005 (Woodard)**

Purpose: Acquisition in fee to construct ICF Group home

Source of Funding: Current funds and bonds & SBC 346/000-05-2005

Estimated Cost: \$199,900

Owner(s): Armond & Alice Cole

Comments:

- Waiver one (1) appraisal.
- Property acquired by owner on June 8, 2010 for \$136,000.
- Improvement square footage is 1,894 sf.

SSC Report: 02-14-2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIESLAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER OF ONE (1) APPRAISAL and REM FEE required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Davidson County – 0.91+/- acres – 4937 Saundersville Road, Old Hickory, TN – Trans. No. 10-12-006 (Woodard)**

Purpose: Acquisition in fee to construct ICF Group home.

Source of Funding: Current funds and bonds & SBC 346/000-05-2005

Estimated Cost: \$185,000

Owner(s): Barbara Andrews

Comments:

- Waiver one (1) appraisal.
- Property acquired by owner on March 16, 2007 for \$189,500.
- Tax assessors value is \$201,700.
- Improvement square footage is 1,794 sf.

SSC Report: 02-14-2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.